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Canada

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Global Analysis Report

Maple Products
in Japan

June 2016

EXECUTIVE SUMMARY

Canada is the largest exporter in the world of maple syrup and maple-related products reaching a total value of US$281M and capturing 84% of the world market share volume in 2015. The United States (U.S.) ranked second with a total value of US$26.2M in 2015.

Japan is the second largest importer after the U.S. of maple syrup and maple-related products in the world with imports of US$26.6M in 2015.

Japan's imports of maple syrup and maple-related products have come mainly from two suppliers; Canada and the U.S. Japan's imports show that for 2015, total value and volume imports of maple syrup and maple-related products from Canada decreased by 15.3% in 2015. Although starting from a much lower share, the U.S., showed an increase of 3.4% in sales value. Despite the decrease in Canada' supply of maple syrup and maple-related products in Japan, Canada continues, to have 98.6% market share of Japan's imports.

Almost all new syrup products launched in Japan from January 2005 to December 2015, used the words "from Canada" in the product labelling, suggesting this is an important product differentiating factor.

Product claims focused on positioning, which included both limited edition and premium claims. Maple was used in over 274 new food and drink product launches in Japan from January 2005 to December 2015 cutting across 12 food and drink categories.

Food and drink launches using maple ingredients occurred most often in the bakery and snack subcategories.

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MAPLE SUGAR AND MAPLE SYRUP TRADE TRENDS

World Exports by Country

The total value of global exports of maple syrup and maple-related products has been on an upward swing since 2009 reaching US$332M in 2014, however the rate of growth has been shrinking. This is often an indicator of a mature sector.

Interestingly, South Africa's total value exports of maple syrup and maple-related products has jumped dramatically in 2011 and even more in 2012, then decreased in 2013 to 2011 levels. This increase in export was due to an increase in demand of maple syrup and maple related products in some African countries such as Nigeria, Cameroon and Comoros.

Top 10 Exporters of Maple Syrup and Maple-Related Products* 2014, US$

Reporting Country	2009	2010	2011	2012	2013	2014
World Total	**255,397,184**	**260,825,397**	**288,153,968**	**292,519,668**	**317,789,812**	**332,265,953**
Canada	222,506,561	224,681,496	244,505,601	249,700,844	269,563,830	280,126,326
United States	19,030,322	19,672,784	25,010,644	21,443,563	25,698,622	25,618,151
Denmark	3,405,220	5,304,900	5,173,174	5,530,152	5,907,880	6,730,689
Germany	3,459,739	4,298,348	5,319,236	3,658,105	5,174,067	5,460,594
United Kingdom	1,041,112	1,302,448	1,168,108	1,348,574	3,114,208	2,501,775
France	1,732,537	1,771,935	2,525,126	3,052,310	3,002,817	3,462,741
Netherlands	1,805,754	1,478,831	1,865,316	1,858,374	1,730,906	3,464,435
South Africa	30,800	52,294	519,971	3,453,405	672,575	164,326
Austria	613,761	534,655	425,652	420,843	438,699	1,263,947
Czech Republic	46,909	91,641	152,938	138,056	398,192	537,559

Source: Global Trade Atlas, 2016

**Note: For the purpose of this report, "Maple Syrup and Maple-Related Products" was defined using the following HS Code: 170220*

World Imports by Country

Import data (as reported by country customs) shows that the U.S., Japan, and Germany are the top importing countries of maple syrup and maple products, accounting for 70% of total sales. North America is the largest importer of maple syrup and maple products, followed by countries in Western Europe and South Asia.

The largest global importer, the U.S., has seen a slight decline in 2010. Since 2010, imports into the U.S. have increase at a moderate rate.

Japan's rate of growth in imports has dramatically increased in 2010, but since then has been declining. In 2015, Japan reported a sale value of US$26.6M and a -15.08% change in growth from 2014 to 2015.

Top 10 Importers of Maple Syrup and Maple-Related Products* 2014, US$

Reporting Country	2009	2010	2011	2012	2013	2014
World Total	261,751,820	258,795,036	282,774,842	288,432,227	314,924,327	330,823,734
United States	146,950,384	138,244,747	151,635,457	157,119,577	171,751,124	175,703,323
Japan	23,869,871	33,288,806	31,602,534	31,055,197	31,004,610	31,282,949
Germany	15,628,820	17,602,264	19,610,878	17,945,083	20,519,761	20,727,933
United Kingdom	13,726,454	11,770,064	12,568,023	13,437,733	16,367,680	16,159,035
Australia	7,670,894	5,704,569	9,691,843	8,786,364	10,365,194	12,095,901
Canada	8,900,920	8,420,030	11,532,979	8,507,908	11,784,832	11,433,034
France	8,133,052	8,899,768	9,197,216	9,021,085	11,375,006	11,104,324
Netherlands	3,498,964	2,854,959	3,306,738	3,316,622	2,959,901	6,367,030
Denmark	4,241,252	4,871,781	4,058,435	4,850,731	5,156,728	5,159,353
Italy	1,758,228	1,711,201	2,112,336	3,900,940	2,389,997	4,631,326

Source: Global Trade Atlas, 2016
***Note**: For the purpose of this report, "Maple Syrup and Maple-Related Products" was defined using the following HS Code: 170220*

Canada's Exports by Country

Exporting to 75 countries, Canada is the biggest exporter of maple syrup and maple-related products in the world capturing 84% of the world's market share in 2014. Canadian exports of maple syrup and maple-related products to the world, have been growing steadily in value since 2009, reaching US$281M in 2015.

Top 10 Countries Canada Exports Maple Syrup and Maple-Related Products 2015, US$

Partner Country	Imports US$ Billions	Canadian Market Share	% Change 2014/2015
World Total	280,951,931	100.00	0.29
United States	179,193,191	63.78	1.30
Germany	24,229,578	8.62	3.45
Japan	20,666,627	7.36	- 22.98
United Kingdom	12,567,241	4.47	13.78
France	9,464,772	3.37	4.88
Australia	9,419,855	3.35	3.79
Denmark	4,159,884	1.48	- 7.67
Korea South	3,518,051	1.25	13.36
Netherlands	2,841,103	1.01	8.15
Belgium	1,778,800	0.63	- 3.34

Source: Global Trade Atlas, 2016
***Note:** For the purpose of this report, "Maple Syrup and Maple-Related Products" was defined using the following HS Code: 170220*

The U.S. is the largest export market for Canada's maple syrup and maple related products. This trend has remained unchanged since 2009, and there was 1.30% in 2015. Unit pricing shows Canadian maple syrup and maple-related products have dropped from US$7.20 in 2013 to US$6.66 in 2015, while volume increased by 9.5% from the previous year.

The U.S. is such a major market for Canada that two states, Vermont and California, were larger markets for Canada than all of Japan in 2015. Most of the top 10 states have shown steady import growth value since 2011 with the exception of New Hampshire.

Top 10 States Canada Exports Maple and Maple-Related Products 2015, US$

Partnering States	2011	2012	2013	2014	2015	2011-15 CAGR* (%)
Vermont	27,359,246	32,015,454	38,996,298	41,531,845	52,946,457	17.9
California	29,196,779	28,627,145	33,399,368	36,043,896	48,725,747	13.7
Indiana	9,927,954	11,042,477	12,911,000	17,363,313	22,369,661	22.5
New Hampshire	21,199,660	17,976,343	16,560,149	16,290,597	21,074,911	-0.1
Pennsylvania	10,009,325	10,788,043	11,192,573	13,862,937	19,829,802	18.6
Illinois	8,590,186	9,558,681	11,448,393	13,486,752	19,450,645	22.7
Washington, state	5,067,849	7,002,391	9,422,267	11,196,696	16,089,258	33.5
Texas	2,327,894	2,739,410	3,494,674	8,338,865	14,209,589	57.2
New Jersey	8,342,100	7,992,474	9,440,158	11,448,147	13,713,147	13.2
Georgia	4,810,481	5,058,151	6,783,356	5,841,865	5,991,593	5.6

Source: CATNETS, 2016 ***CAGR**: compound annual growth rate

***Note: For the purpose of this report, Maple Syrup and Maple-Related Products" was defined using the following HS Code: 170220*

****Note: Exchange rate calculated based on the Bank of Canada annual average rate per each listed year.*

Top 10 States Canada Exports Maple and Maple-Related Products 2015, KG

Partnering States	2011	2012	2013	2014	2015	2011-15 CAGR* (%)
Vermont	4,465,057	5,131,161	5,608,772	5,527,709	6,084,253	8.0
California	3,599,292	3,432,272	3,669,099	3,491,103	3,590,257	-0.1
New Hampshire	3,798,067	3,124,487	2,632,719	2,286,842	2,378,546	-11.0
Indiana	1,239,814	1,347,869	1,605,840	1,899,137	1,965,007	12.2
Pennsylvania	1,600,854	1,632,505	1,539,480	1,487,362	1,957,630	5.2
Illinois	1,266,678	1,338,170	1,399,226	1,395,722	1,603,311	6.1
Texas	392,491	446,479	489,384	963,438	1,457,122	38.8
Washington, state	592,779	829,935	1,078,782	1,128,850	1,286,786	21.4
New Jersey	934,681	872,283	1,138,449	1,105,581	1,068,801	3.4
Georgia	977,561	900,688	1,147,585	785,800	571,371	-12.6

Source: CATNETS, 2016 ***CAGR**: compound annual growth rate

***Note: For the purpose of this report, Maple Syrup and Maple-Related Products" was defined using the following HS Code: 170220*

Japan is the second-largest importer of Canada's maple syrup and maple-related products in the world. It represents only 7.36% of Canada's total sales of maple syrup and maple-related product exports globally. However the share has been steadily eroding since the 12.1% recorded in 2010. The value of exports to Japan has been falling since 2009 from US$33.3M in 2010 to US$26.6M in 2015. While the United States saw a value increase of 3% and a quantity increase of 13,523kg. This continuous decline in part is due to the weakness of the Japanese yen and its adversely effect on imports. Along with the drop in the United States unit price from US$13.85 to US$9.34 from the previous year.

Japan's Imports of Maple and Maple-Related Products, US$

Partner Country	2010	2011	2012	2013	2014	2015
World Total	**33,288,806**	**31,602,534**	**31,055,197**	**31,004,610**	**31,282,949**	**26,565,634**
Canada	33,027,905	31,488,195	30,959,327	30,879,254	30,931,624	26,202,487
United States	260,902	111,351	95,870	123,118	351,325	363,147
Korea South	-	-	-	2,238	-	-
United Kingdom	-	2,988	-	-	-	-

Source: CATNETS, 2016

***Note:** For the purpose of this report, Maple Syrup and Maple-Related Products" was defined using the following HS Code:170220*

Japan's Imports of Maple and Maple-Related Products, KG

Partner Country	2010	2011	2012	2013	2014	2015
World Total	**3,014,408**	**2,735,657**	**2,709,326**	**2,803,214**	**3,038,627**	**2,954,860**
Canada	2,997,319	2,727,734	2,703,154	2,795,433	3,013,259	2,915,969
United States	17,089	7,758	6,172	7,401	25,368	38,891
Korea South	-	-	-	380	-	-
United Kingdom	-	165	-	-	-	-

Source: CATNETS, 2016

***Note**: For the purpose of this report, Maple Syrup and Maple-Related Products" was defined using the following HS Code:170220*

CONSUMER ATTITUDES

In Japan, Canadian maple syrup is often regarded as having healthy attributes, such as being an "organic," "additive-free," or "natural" product. Many Japanese consumers are trying to incorporate maple syrup as an alternative to refined sugar. Honey and maple syrup may also be preferred over sugar by natural-food lovers and users of Chinese medicinal products.

Japanese consumers are also loyal to Canadian-branded maple syrup, with "Canadian" maple messaging appearing frequently on syrup and other food and drink introductions in the market. Characteristics that are embodied by each type of maple syrup (such as high quality lighter grade or darker colour varieties) are also appreciated by Japan's discerning consumers (AAFC, Mintel).

According to the Federation of Quebec Maple Syrup Producers (Fédération des producteurs acéricoles du Québec [FPAQ]), Asian consumers use maple syrup in a variety of ways, not only as a topping on pancakes or desserts, but also in cooking, such as with chicken or pork. Some industry sources indicate that consumers are willing to pay 1,000 to 1,365 yen for a bottle that is 250ml, which is roughly US$8.81 to US$12.08, and a notably higher price-point compared to syrup sold within Canada (The Globe and Mail, 2011).

Promotional activities have also aided in showcasing Canadian maple products in Japan. For example, with Agriculture and Agri-Food Canada AgriMarketing Program funding, FPAQ launched a recipe contest in October 2010 for the use of maple products in recipes, which involved more than 200 participants (Government of Canada).

CANADIAN COMPANIES IN JAPAN

Canadian companies have been successful in diversifying their strategies by pursuing markets in Asia for their maple products. Décacer, a maple syrup bottler in Quebec, is one example of a successful company that has been pursuing this strategy, with Japan being one of their top markets for their maple syrup and maple flake products (The Globe and Mail, 2011).

La Ferme Martinette, another maple syrup company from Quebec, exports a range of maple syrup products globally. This includes Japan, which is a target market that has been successful for the company's high-end products, largely due to the approach of catering specifically to the Japanese market, with a Japanese-language website as well as links to online stores that sell their products in the market. Ferme Martinette was also the winner of the Canada Brand Business Award at SIAL Canada 2012 (AAFC).

Citadelle, a co-operative of maple syrup producers in Quebec and a Canada Brand Member, has also been exporting to Asia and Europe, with their premier brand Citadelle being well recognized abroad. The

company has also been working on innovating maple products, and won the 2012 SIAL Canada Grand Prize for Trends and Innovation for its maple jelly pearl product (AAFC).

Canadian companies are also increasingly interested in other areas of Asia, such as the growing Chinese market for maple products, as Chinese tourism to Canada grows and leads to increasing awareness of Canada's maple products. However, the price-consciousness of Chinese consumers remains a challenge (The Globe and Mail).

NEW PRODUCT LAUNCH ANALYSIS

This section analyse maple syrup and maple-related products, based on new product launches in Japan from Janurary 2005 to December 2015. New maple-related products assess food and drink introductions in Japan that used the term "maple". This analysis provides an examples of how maple is being used and marketed in a variety of food and drink products, as well as ideas for maple ingredient opportunities in Japan.

Maple Syrup Product Launch Analysis

Between 2005 and 2010, 194 new maple products were launched in Japan, eight of which were maple syrup items. Within the eight maple syrups launches Topvalu, DHC, and Kewpie products were pure maple syrup, while the remaining five were a maple syrup combination that included other ingredients such as caramel and honey.

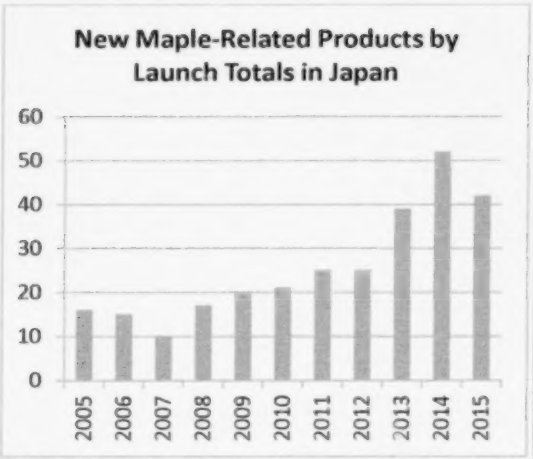
The majority of new product launches occurred between 2013 to 2015, with an average of 30 new product launches per a year.The syrup prices (p/gram) for each new product ranged from US$0.01 to a high of US$0.38. Factors such as package size, type, and ingredients influence the price of any product. Aeon's Topvalu commanded the highest price per item, and second-highest price per gram.

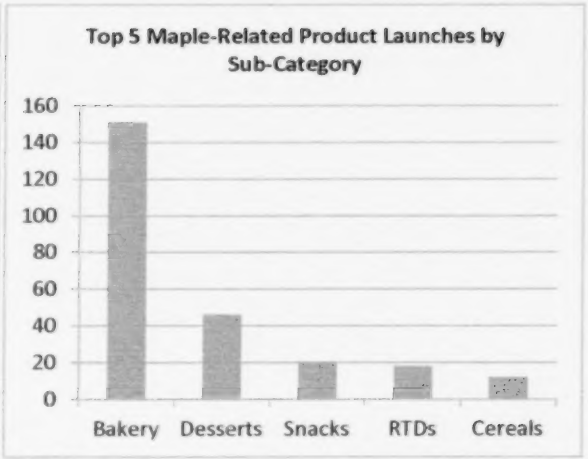
Maple Syrup Introductions in Japan by Price – Janurary 2005 to December 2015

Company	Brand	Claims	Price in US Dollars ($)	Unite Pack Size	Packaged Type
Aeon	Topvalu	Economy	7.17	165 g	Bottle
DHC	Cleary's	No Additives/Preservatives Low/No/Reduced Calorie Organic	6.74	125 ml	Bottle
Kewpie	Cadeau du Quebec	Not Specified	5.67	8 x 15 g	Tub
Seven & I Holdings	Seven Premium	No Additives/Preservatives Premium	3.26	240 g	Bottle
Seven & I Holdings	Seven Premium	No Additives/Preservatives Premium	2.95	240 g	Bottle
Nisshin Seifun Group	Nisshin	Not Specified	2.61	200 g	Bottle
Nisshin	Disney	Not Specified	2.39	200 g	Bottle
Nisshin	Disney Character Series	Not Specified	1.99	200 g	Bottle

Source: Mintel Global New Products Database (GNPD), 2016

Maple-Related Products Launch





Source for both: Mintel Global New Products Database (GNPD), 2016

In Japan, from January 2005 to December 2015, there were 274 products launched across twelve categories. Of the launches, 49% of new product launches occurred between 2013 to 2015.This indicates a growing trend and increasing popularity of maple syrup-related foods in Japan.

The bakery category dominated new product activity in Japan, with 151 new product launches, followed by the desserts category (46 new product launches), and the snack category (20 new product launches). In breaking down the bakery category, the cakes, pastries and sweet goods sub-category accounted for 108 new products. For the desserts, the chilled desserts sub-category had the most launches totaling 23 new products. In the snack category, it was the snack/cereal/energy bars sub-category with the most new product activity, with 14 new launches (Mintel GNPD, 2016).

In Japan, from January 2005 to December 2015, 192 of the 274 new product launches were private label. Products launched under a private label accounted for 30% of the new product launches, while 70% accounted for the branded product launches. There were seven companies that launched the new private label products, 68 of which came from market leaders (by new products): FamilyMart (17), Sevens & I Holdings (17), Lawson (14), Circle K Sunkus (13), and Aeon (7). Meanwhile 82 of the new product launches came from Morinaga Milk Industry, Tohato, Asahi Food & Healthcare, Nissin Cisco, and Shikishima. This signals that store-based retailers had robust value sales of packaged maple-related products in 2015 (Euromonitor, 2015).

Less than half of the new maple-related products launched in Japan were accompanied by a claim. The fastest growing product claim is limited edition, which accounts for 24% of the top five claims and a growing trend of 50% in 2015 (Mintel GNDP, 2016).

The premium claim is continuing to be a top five claim predominantly due to Japanese value and continued demand for premium products mainly from older consumers. To meet the high expectations of senior citizen, the most populated and richest group, manufactures are continuing to develop and launch premium products, such as maple-related products (Euromonitor, 2016).

New Product Launches of Maple-Related Products in Japan
January 2005 to December 2015, by Feature

Features	Launch Counts
Top Five Claim	
Limited Edition	32
Vitamin/Mineral Fortified	24
Seasonal	23
High/Added Fiber	21
Microwaveable	21
Premium	12
Top Five Ingredients **	
White Sugar	253
Emulsifiers	222
Salt	195
Food Colours	189
Maple Syrups	186
Top Five Ingredient Origin	
Canadian	17
Quebec	6
Thailand	3
Chinese	2
Hokkaido	2
Top Five Companies	
Morinaga Milk Industry	26
Tohato	22
FamilyMart	17
Seven & Holdings	17
Asahi Food & Healthcare	14
Top Five Brands	
Pasco	8
Seven & i Delicious Bread	7
Seven Premium	6
Sweets+	6
Domremy	5
Private Labels	
Branded	192
Private label	82
Import Status	
Not Imported	4
Other	270

Source: Mintel Global New Products (GNPD), 2016
* **Note**: ranking are based on 2005-15 data
****Note**: that the totals for ingredient counts will add to more than the total launches as products can use multiple ingredients.

CONCLUSION

Japan's Maple products and maple-related products are seeing a decline in value due the country's slow economic growth and increase in unit prices. However, Canada still maintains its status as the dominant supplier of maple sugar and maple syrup in Japan. Japanese consumers place strong trust in the Canada's maple ingredients and see them as premium quality. Canadian suppliers of Maple and maple related products can focus on promoting and sustaining the value of maple products in Japan, specifically with manufactures that are continuing to develop and launch premium products that include maple ingredients.

FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in China**
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- **Find a Trade Commissioner**
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For additional information on FoodEx Japan 2016, please contact:

- **Ben Berry, Deputy Director**
  Trade Show Strategy and Delivery
  Agriculture and Agri-Food Canada
  ben.berry@agr.gc.ca

RESOURCES

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MAPLE PRODUCTS IN JAPAN

Global Analysis Report

Prepared by: Ranna Bernard, Market Analyst

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Agriculture and Agri-Food Canada, Global Analysis
1341 Baseline Road, Tower 5, 3rd floor
Ottawa, ON
Canada, K1A 0C5
E-mail: MAS-SAM@agr.gc.ca

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